



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

FEB - 8 2013

OFFICE OF
AIR AND RADIATION

The Honorable Ed Whitfield
Chairman, Subcommittee on Energy and Power
U.S. House of Representatives
Washington, D.C. 20515-2206

Dear Mr. Chairman:

Thank you for your letter of November 16, 2012, co-signed by two of your colleagues, to U.S. Environmental Protection Agency Administrator Lisa P. Jackson requesting further information regarding the estimated compliance costs and public health benefits of the proposed National Ambient Air Quality Standards (NAAQS) for particulate matter (PM). The Administrator asked me to respond on her behalf.

In your letter, you requested that the EPA provide an updated cost estimate for the proposed PM NAAQS rule based on the August 21, 2012, decision by the U.S. Court of Appeals for the D.C. Circuit to vacate the Cross State Air Pollution Rule (CSAPR). The EPA expects there would be negligible change in the costs or benefits estimated for the proposed PM NAAQS as a result of the Court's decision. In its decision, the Court instructed the EPA to "continue administering CAIR [the 2005 Clean Air Interstate Rule] pending the promulgation of a valid replacement." In light of the Court's direction, the EPA and the states are continuing to implement CAIR to address regional transport of air pollution. Based on the similarity of the emission reductions associated with CAIR and CSAPR and the inclusion of the Mercury and Air Toxics Standards in the baseline, the EPA determined that CSAPR continues to be an appropriate proxy for representing the emission reductions required by CAIR for the Regulatory Impact Analysis (RIA) for the PM NAAQS. This determination is discussed in the RIA at Chapter 3.2.1.4. The EPA also used CSAPR as a proxy for the emission reductions required by CAIR in the analysis of the final PM NAAQS rule, which was signed on December 14, 2012.

You also requested that the EPA provide an estimate of the health benefits of the proposed rule that excludes any benefits associated with PM concentrations below the levels proposed for the PM standards. While the NAAQS reflects the level the Administrator determines to be protective of public health with an adequate margin of safety, these standards are not set at a level of zero risk. In fact, the best available scientific evidence and advice of independent scientific bodies indicate health effects occur at all levels of PM_{2.5} pollution. The EPA estimates the benefits for all emission reductions resulting from the control strategies used to attain the NAAQS, including those that occur below the standard. Although we have the highest confidence in the magnitude of the benefits estimated at levels near the standard, the EPA considers benefits below the standard to be legitimate components of the total estimate and believes that excluding these effects from the total health benefits would provide an inaccurate representation of the impacts of the regulation. Consistent with advice from the EPA's independent Science Advisory Board, the EPA employs a complex suite of quantitative and qualitative

analyses to address the uncertainty in its benefits estimates. A discussion of this approach and the results of these analyses can be found in the RIAs for both the proposed and final PM NAAQS.

As with all of our regulatory analyses, the economic analyses of the proposed and final PM NAAQS were conducted in compliance with relevant Executive Orders and guidance on economic analysis from the Office of Management and Budget (OMB) and were reviewed by OMB before we released them. These analyses followed standard, peer-reviewed methodologies and provided consistent information about anticipated benefits and costs, ensuring the public would have access to an effective and reliable comparison of benefits and costs.

Again, thank you for your letter. If you have any further questions, please contact me or your staff may call Cheryl Mackay in the EPA's Office of Congressional and Intergovernmental Relations at (202) 564-2023.

Sincerely,

A handwritten signature in black ink, appearing to read "Gina McCarthy", with a stylized, cursive script.

Gina McCarthy
Assistant Administrator